

**CLARK COUNTY
COMMUNITY DEVELOPMENT BLOCK GRANT
and HOME PROGRAMS**

MEMORANDUM

TO: Deed Recording Fee Community Stakeholders
FROM: Peggy Sheehan, Program Coordinator
DATE: July 16, 2003
SUBJECT: Housing Bond Planning Meeting July 10, 2003

Attendees:

Diana Stites, Kurt Creager – VHA
Bobi Magill – Share
Stephanie Meusborn – Washington State Department of Corrections
Julie Desmith – YW Housing
Richard Trefren – Home Ownership Center
Trina King - Columbia River Mental Health
Bonnie Anderson – Housing Development Center & ACE
Ron Barca – Friends of Clark County
Jocelyn Holland, Brianna Garbarino – City of Vancouver
Peggy Sheehan, Samantha Givens, Tom Lasher, Pete Munroe – Clark County

See Attached information and Agenda sheet

History:

In 2002, the Washington State Legislature passed HB 2060 for the development of housing projects or units within housing projects affordable to very low-income persons with incomes at or below 50% of the area median income. Clark County has collected over \$750,000 in document recording fees (generated by HB 2060) to date.

During the spring of 2003, community stakeholders were brought together to develop recommendations for the use of HB 2060 funds. The stakeholders recommended that the funds be distributed accordingly:

- \$250,000 annually for 10 years be used for the creation of a two-million dollar local housing bond

Out of the remaining funds:

- 55% shall be used for operating funds for shelters, transitional and permanent housing
- 45% shall be used for capital funds for transitional and permanent housing

These recommendations were memorialized by the Board of County Commissioners, during their April 2, 2003 work session.

The Clark Housing Review Board (CHRB) will be the oversight body for the funding. They have asked for information regarding the process including how property and end users are selected. The CHRB is interested in the Community Stakeholders coming to a consensus prior

to their review. Staff hopes that the process can be presented to the CHRB at their meeting on August 28, at 3:00 pm.

Updates and notes from July 10

Bond Overview

- The bond must be sold or issued by a public entity such as the County or the VHA. The VHA has proposed that it serve as the bond issuing entity to expedite the sale, but is willing to work with the County if the County wishes to issue the bonds. The VHA and County are developing a MOU to outline that process. The bond counsel is Foster, Pepper and Sheffleman.
- A series bond is allowable, that would allow for staging of the land purchases i.e. four purchases during one time period and then another bond for another four purchases.
- A line of credit may substitute for a bond sale, which may reduce costs of issuance.
- The money from the bond must be spent within three years - However , there is no requirement related to the bond for project completion **(PLEASE NOTE- THIS INFORMATION IS AN ANSWER TO A QUESTION THAT WAS RAISED AT THE JULY 10 MEETING)**
- The VHA and County Treasurer are discussing what would be the best method to generate the 2 million dollars to purchase the land. Options include Line of Credit, Tax Exempt Bond, or Taxable Bond. The County Financial Advisor and Treasurer's office will make the final determination.

VHA Proposal

Kurt Creager from the VHA provided an overview of the proposal regarding the VHA's responsibility. Information included in that presentation follows:

- The VHA has current interlocal agreements and is audited by the State Auditors.
- The VHA is in the market for land everyday, they receive inquiries from owners daily regarding properties for sale including vacant land, apartment buildings, condos and single family homes.
- The VHA will advertise for sites (public call), therefore allowing private property owners to bring eligible properties forward.
- Non-profit agencies are encouraged to let the housing authority know of properties in which they might be interested.
- After a site has been identified the VHA will enter into a purchase and sales agreement or option agreement and conduct a feasibility study that will consider issues such as zoning, environmental conditions, transportation and general feasibility.
- The VHA will require 10% of the bond proceeds (about \$250,000) to administer the bond, and purchase the property.
- The VHA will not receive any proceeds from the sale or lease of the land
- The VHA will consult with city/town officials regarding proposed property purchase prior to purchasing property in their respective city/town.

Non-Profit end user options

Attendees discussed some of the options available to the non-profit end user.

- Any option would be based on the financial feasibility of the project and the non-profit.
- All property will carry a deed and covenant that will restrict the use to housing for people who are at or below 50% of median income.

- Any funds generated by the purchase or lease will be returned to the “deed recording pot” of funds to be used for future purchase of land. The intent is not to place a hardship on the non-profits but to create a revolving fund to produce MORE affordable housing.

Options considered are:

- Purchase property
- Lease property
- Grant property

Property guidelines

Criteria that was discussed included:

- When using tax credits, property should accommodate a minimum of 25-35 units.
- There be an option to purchase larger pieces of property with other VHA revolving funds and subdivide for the eventual user.
- Infill lots may be purchased for rental purposes.
- Single family homes may be purchased for rental units.
- How can we use this to help the County and respective cities meet their comprehensive plan goals, i.e. single family and apartment mix (75/25), urban growth boundaries, transportation.

Additional research

- Are non-profit low-income housing developers being required to pay property taxes on undeveloped land requires a little more research?
- Private activity bonds must be obtained from the Housing Finance Commission to achieve home ownership. This funding may not be possible for that purpose because the use of the bonds are limited.

Next Meeting

The next meeting will be held July 29th from 1:00 – 3:00 at the Community Services Department.

Feel free to contact Peggy Sheehan at 397-2075, ext. 7813 if you would like more information.